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## Persian Gulf Security: The Iranian Threat

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An Intelligence Assessment

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NESA 82-10182  
May 1982

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# **Persian Gulf Security: The Iranian Threat**

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## **An Intelligence Assessment**

*Information available as of 22 May 1982  
has been used in the preparation of this report.*

This paper was prepared by [redacted]  
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South Asia Analysis. It was coordinated with the  
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**Persian Gulf Security:  
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**Key Judgments**

Saudi Arabia and the other Arab Gulf states are deeply worried about the prospect of an Iranian victory over Iraq as well as about Iranian military intentions. They fear Iraqi resistance will crumble and President Saddam Husayn will be overthrown, leaving them vulnerable to increasing Iranian subversion and military pressure.

After the war Iran's leaders can be expected to turn their attention increasingly to the Gulf to assert their dominance in the region. But they are unlikely to launch major military operations against the Gulf states or their oil facilities. They almost certainly do not want to risk retaliation against their own vulnerable oil installations or provoke Western military intervention, especially not when victory over Iraq appears almost within reach. Instead, Iran probably will continue to combine intimidation and subversion with positive inducements to weaken Gulf support for Iraq—support on which Saddam Husayn has become increasingly dependent.

Fear of Iranian intentions has prompted the Gulf regimes to tighten internal security and close ranks. Their highly publicized meetings of the Gulf Cooperation Council have included much posturing designed to deter Iranian aggression. Progress toward intelligence and defense cooperation, however, will be slow.

To counter Iran and its radical Arab allies, the Saudis and other Gulf Arabs will need to seek additional external security and political support. Gulf interest in a rapprochement with Egypt probably will quicken. The Saudis have already taken some private steps to improve ties with Cairo. Gulf cooperation with other regional moderates—Jordan, Tunisia, Pakistan, Morocco—probably also will increase.

Some Gulf states will also try to appease Iran to temper its hostility. Saudi, Kuwaiti, and UAE leaders have made private overtures to Tehran, offering to help pay for war damages.

*In extremis*, the Gulf states will look to the United States for help. Some have already expressed increased interest in US arms. Saudi Arabia has implicitly relied on the presence of US-manned AWACS aircraft since the start of the Iran-Iraq war as a deterrent against Iranian attack. US actions and in some cases inaction, however, are raising doubts about US aims—doubts fed in part by Israel's aid to Iran. There is also growing internal pressure on the Gulf regimes to put greater distance between themselves

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and the United States because of the US "failure" to restrain Israel elsewhere. US support for Israel will constrain the willingness of these regimes to seek additional direct American support.

Iranian-sponsored subversion aimed at fomenting popular uprisings among Gulf Shias may become an increasing danger to the security and stability of some Gulf states. If the present war ignites a broadbased Shia revolt in Iraq, that threat could be significantly magnified, inspiring flareups, probably on a smaller scale, in Bahrain and possibly Saudi Arabia and Kuwait.

Over the longer run Gulf rulers must worry about the less tangible inspiration Iran's victories will provide other religiously motivated would-be revolutionaries—Sunni as well as Shia. The ingredients that contributed to Iran's revolution—popular disaffection over social injustice, corruption, and growing materialism and secularism—exist in varying degrees in the Gulf states as well.

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## Persian Gulf Security: The Iranian Threat

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### Iran and the Gulf

Iran, by virtue of its size, resources, and historic ambitions, can be expected to turn its attention increasingly to the Gulf after the war to assert its dominance there. Indeed, a military victory over Iraq—which now seems inevitable—will reaffirm the faith of Iranian leaders in the universal validity of their revolution and add impetus to their drive for regional hegemony.

How much Iran's internal problems will act as a constraint on its actions in the Persian Gulf region is uncertain. But the temptation to champion the cause of revolution in the Gulf—whether out of conviction or political expediency—probably will prove irresistible to Khomeini's would-be successors. Fearful of Western retaliation, Tehran is likely to rely on conventional diplomacy, backed by veiled threats, and subversion rather than military force in pursuing its objectives. The Iranians have already made one effort to overthrow Bahrain's government last December using Shia dissidents. They will continue to train, arm, and finance other Gulf revolutionaries sympathetic to their fundamentalist ideology.

A major hurdle Iran faces is the lack of sympathy between Shia and Sunni Muslims. The Sunni majorities in most Gulf states may prove a natural barrier to the spread of Iran's Shia revolution. Still, the Iranians probably are convinced they can overcome these sectarian differences and exploit the same popular grievances against corruption and the spread of Western, secular influences in the Gulf that led to the downfall of the Shah.

A more immediate Iranian aim is to weaken Gulf support for Iraq. As its oil revenues have fallen and the costs of the fighting have mounted, Baghdad has become increasingly dependent on Gulf financial aid to continue its war with Iran. Saudi Arabia, Kuwait, Qatar, and the United Arab Emirates have provided more than \$20 billion in interest-free loans and

recently decided to cover Iraq's losses from the closing of the oil pipeline through Syria. That could cost them an additional \$4 billion this year.

Having sporadically tried the stick, Iran now seems to be trying the carrot to neutralize the Gulf states. It recently pressed the UAE, for example, to mediate the conflict with Iraq and has even invited UAE President Shaykh Zayid to make a state visit to Tehran. If inducements fail, Tehran probably will again resort to threats, propaganda attacks, subversion, and possibly sabotage to try to intimidate at least some of the smaller Gulf states.

### Iran's Military Intentions

A major military attack on one or more of the Gulf states appears remote. Nevertheless, Gulf leaders are increasingly worried about Iranian military intentions as a result of Iran's latest gains against Iraq. The Gulf states know their forces are no match for Iran's and that their oil facilities are extremely vulnerable to Iranian air or seaborne attack. Even with the AWACS aircraft, for example, the Saudi Air Force and ground-based air defense system near Dhahran could not counter a surprise Iranian airstrike on Saudi oil installations. The time and distances are simply too short. Iran's operational fighter-bombers—about 100—could strike anywhere in the Gulf in a matter of minutes from their bases in Bushire, Bandar Abbas, and Shiraz.

In a worst case, attacks on Saudi oil facilities could reduce oil exports to as low as 2 million barrels per day. Restoring exports to 6 million barrels per day—well below Saudi Arabia's present capacity of more than 10 million barrels per day—could take several months, perhaps longer.

Iran's restraint probably reflects its leaders' fear of provoking US military retaliation against their own vulnerable oil facilities. The war also has forced them to concentrate their military resources against Iraq.

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# Persian Gulf Region: Oilfields



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These remain major constraints on Iran. This does not mean, however, that the Iranians will not resort to further airstrikes or even small-scale commando raids against one of the Gulf states as a form of intimidation. Tehran might calculate that the United States would not react strongly to isolated incidents so long as the flow of oil to the West was not directly threatened. [REDACTED]

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#### Subversion: The More Likely Threat

For most if not all of the Gulf states, Iranian subversion is the more likely threat. [REDACTED]

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leading Sunni and Shia merchant families to maintain itself in power. In recent years these methods have become less effective in dealing with discontent among Bahrain's 140,000 Shias, who make up 65 percent of the population but occupy the bottom rungs of the social and economic ladder. [REDACTED] 25X1  
[REDACTED] many Shias increasingly resent the dominance of the largely Sunni ruling elite. [REDACTED] 25X1

As a result, militant Shia fundamentalists have found a receptive audience for proselytizing. The Tehran-backed Islamic Front for the Liberation of Bahrain, led by an Iranian cleric (Hadi Muhammad Modarasi), has been especially effective in recruiting adherents among young, disadvantaged Shias. Most of the 25X1 conspirators arrested in the coup plot the Front inspired in December were under 25 [REDACTED]

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Iran has focused its efforts on the Gulf Shias and has done little to make common cause with local leftist dissidents or Sunni Muslim fundamentalist groups, such as the Muslim Brotherhood. In Bahrain, Shia fundamentalists have actually worked against leftist groups. This may change as a result of Iran's growing tactical alliance with radical Arab states (Libya, Syria, and South Yemen), but we have not seen evidence of such a switch. [REDACTED]

In the short run the most serious dangers to internal security in the Gulf states probably will be sporadic outbreaks of Shia violence sparked by Iranian military victories against Iraq or by Iranian-inspired terrorist attacks. These could trigger harsh government reprisals against Shia dissidents, which could in turn sharpen Sunni-Shia communal tensions and spark further violence. The danger is greatest in Bahrain, where authorities may yet face a strong challenge. The situation is less serious but still worrisome in Saudi Arabia and Kuwait, which have large Shia minorities. [REDACTED]

#### Gulf State Strengths and Weaknesses

**Bahrain.** One of the poorest Gulf states, Bahrain is the most vulnerable to Iranian-inspired subversion. The Sunni Khalifa family has traditionally relied on [REDACTED] members of the island's

The government also faces opposition from the 25X1 Islamic Call Party, another Shia fundamentalist group, which receives financial support from Tehran. Over time the Call Party could become a more serious threat than the larger Islamic Front because it is making inroads among the island's traditional Shia religious leadership. Both the Front and the party use Bahraini mosques, religious meeting halls, and study groups as covers for fund raising, recruiting, and spreading antigovernment propaganda. These forums could serve as rallying points for antigovernment demonstrations, as they did in Iran before the revolution. [REDACTED] 25X1  
[REDACTED] 25X1

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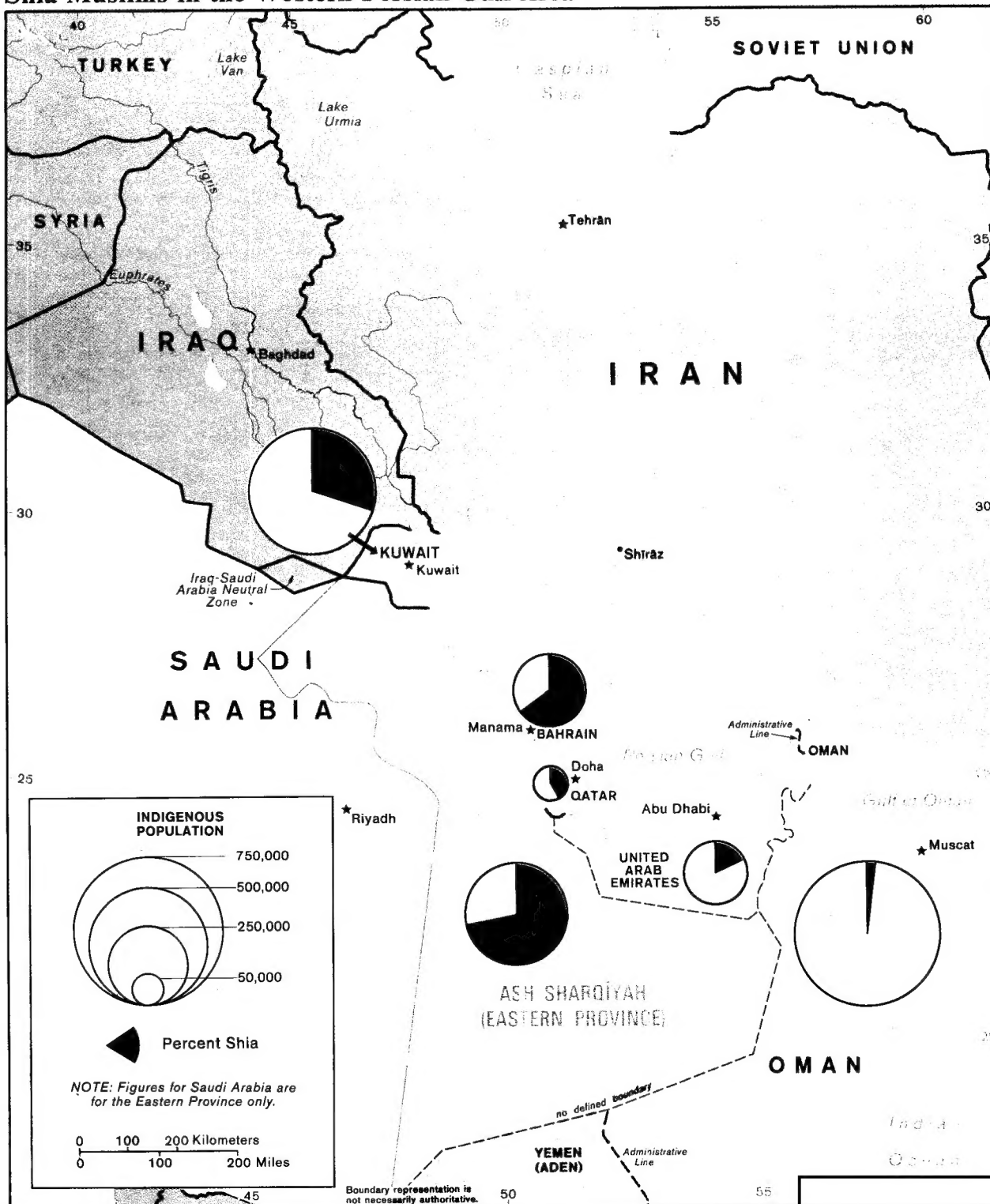
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# Shia Muslims in the Western Persian Gulf Area



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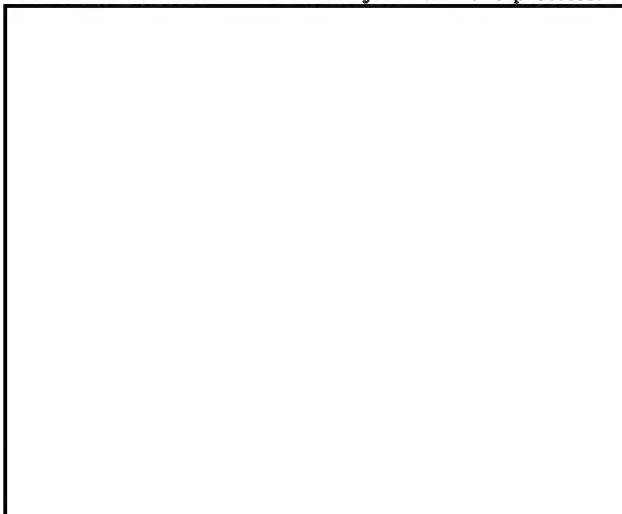
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The government probably can cope with externally based dissidence but may find growing internal discontent and unrest more difficult to handle. Iran's recent victories over Iraq and the Bahraini Government's decision to try the 73 young Shia coup plotters are creating tension. Because the execution of even some of the plotters probably would have provoked unrest in the Shia community, the Bahraini Government on 22 May announced prison sentences for the plotters.

As long as demonstrations do not mushroom into widespread disorder, the government's special riot police can handle them. If the security situation seriously deteriorates, however, Bahrain will have to turn to the Saudis and its other allies in the Gulf for help. The Saudis could airlift National Guard units to the island relatively quickly in an emergency. Also, the UAE has Moroccan troops in its employ that could be used to aid Bahrain. Gulf security officials have done little or no planning for such a contingency.

Bahraini leaders are aware of growing sectarian tensions and have shown clemency toward the plotters.



The Shia community is too small (280,000 or 5 percent of the native population) and too isolated from the Sunni mainstream to represent the threat to internal stability that Shias in Bahrain do. But because the Shia population is heavily concentrated in the Eastern Province where the oilfields are and makes up almost a third of ARAMCO's work force, Shia dissidents pose a potential threat to the oil facilities. 25X1

To counter this threat Saudi authorities have tried hard to strengthen security in and around key oil installations and to root out local Shia dissidents. In addition to arresting dissident leaders and penetrating dissident groups, the government has:

- Stationed National Guard units near some large Shia townships.
- Arrested Shia theology students returning from Iran, where they received political indoctrination.
- Banned travel to Iran by Saudi citizens.
- Sharply restricted the travel of Iranians in order to disrupt their efforts to infiltrate agents provocateurs into the Shia community. 25X1

At the same time Saudi leaders have made an effort to appear more responsive to legitimate Shia grievances. Modest increases in government development assistance have been earmarked for projects in Shia townships. In addition, King Khalid and Crown Prince Fahd have paid visits to the area and made a point of conferring with Shia community leaders. ARAMCO, long the largest employer of Shias in the province, also has sought to maintain good relations with its Shia workers and the Shia community. As a result many Shias have developed a vested interest in the status quo. 25X1

There has been remarkably little Shia subversive activity in the ARAMCO work force and no attempts at sabotage. That does not mean that isolated acts of sabotage will not occur. An Iranian victory over Iraq could stir latent discontent, but Saudi authorities probably can contain any violence, by force if necessary. 25X1

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**Kuwait.** Iran's ability to foment unrest in Kuwait over the short run appears slight. Kuwaiti security forces closely monitor Shia dissidents and the large Iranian expatriate community (40,000) and have been fairly effective in dealing with subversive and terrorist threats. Moreover, the ruling Sunni Sabah family has made a conscious effort to spread the country's oil wealth among all segments of society, including the 170,000 Shias who make up 30 percent of the native population. As a result the Iranian revolution has not created the strong antiregime sentiment and serious sectarian tensions it has in Bahrain or to a lesser extent in Saudi Arabia. [redacted]

Most Kuwaiti Shias are not enthusiastic about the Khomeini regime. Many leading Shia merchant families initially supported the Iranian revolution, but they have become increasingly disillusioned with the regime's harsh treatment of Iranian bazaari merchants, with whom Kuwaiti Shias have strong personal ties. [redacted]

Nor has Iran's Islamic fundamentalist ideology struck a sympathetic chord among the large and diverse foreign population in Kuwait, such as the Palestinians. Kuwaiti leaders rely on their close ties to the Palestine Liberation Organization and especially Fatah leaders to ward off threats from more radical Palestinian groups. [redacted]

**Qatar.** Qatar's 25,000 Shias are strong supporters of the Iranian revolution and deeply resent the dominance of the Sunni Al Thani family, who run the tiny

shaykhdom like a private estate. [redacted] there are no known Shia dissident groups in the shaykhdom. [redacted]

Most Shias have been thoroughly intimidated by the government's large security forces, manned by Saudi and Yemeni mercenaries. Nearly one of every 24 residents in the country is either a member of the police or of the armed forces, which are commanded by members of the royal family. The Shia community, moreover, knows that Saudi Arabia would not hesitate to send troops to restore order if necessary. [redacted]

**The UAE and Oman.** Shias in these two Gulf states are too few to pose a significant threat. The Emirates' 30,000 Shias, concentrated mainly in Dubai and Sharjah, seem more interested in making money than in engaging in politics. We know of no organized Shia dissident groups in the UAE or of any UAE Shias who have undergone terrorist training in Iran. [redacted]

UAE security forces are sufficiently large to cope with internal disturbances. [redacted]

Oman's British-led internal security forces, in contrast, are aggressive and effective. Moreover, the country's diverse Shia community (13,000)—the smallest in the Gulf—has been generally quiet. Like most Omanis, the Shias have benefited from the decade-old economic development program initiated by Sultan Qaboos. [redacted]

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**Gulf State Options**

Until Iran's recent breakthroughs around Dezful, the Saudis and other Gulf Arabs had hoped the Iran-Iraq war would end in a stalemate and mutual exhaustion. None of the Gulf states wanted Iraq to win decisively at the start any more than they want Iran to win now. Either outcome will upset the balance of power in the region and encourage the winner to pursue an aggressive policy toward its immediate neighbors. [REDACTED]

The Gulf leaders also have expressed fear that an Iraqi defeat will trigger widespread popular unrest in Iraq that could spill over into the region or result in the overthrow of Saddam Husayn by a more radical group that would pose a threat to their security. This could tip the balance in the Arab camp in favor of the radicals and leave the pro-US states in the Gulf increasingly vulnerable. [REDACTED]

The Saudis, therefore, believe their only choice is to shore up Saddam Husayn. But there is little they can do beyond offering more financial, logistic, and political support. At the same time they and other Gulf Arabs realize Iraq may not be able to serve as a buffer against Iran much longer and are actively looking for a way out of their dilemma. [REDACTED]

The Gulf states, for example, are supporting mediation to end the war by the Islamic Conference and others. They have even made overtures recently to Tehran, offering to help pay for war damages, in order to encourage Iran to cease hostilities and negotiate. So far these offers have fallen on deaf ears. [REDACTED]

The Saudis also have sought to influence Iran since the Bahrain coup attempt by orchestrating a series of highly publicized defense, interior, and foreign ministers' meetings in the Gulf Cooperation Council to demonstrate Gulf solidarity. In addition they have signed internal security cooperation agreements with each of their GCC partners, except Kuwait, as well as with Morocco. [REDACTED]

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In all likelihood they will have to look increasingly outside the Gulf region for help. Riyadh and Baghdad are beginning to look to Egypt as a counterweight to Iran and its radical Arab allies, Syria and Libya. Iraq, for example, has been buying Soviet ammunition and spare parts from Egypt with Saudi money for some time. The Saudis have also indicated they are eager to bring Egypt back into the Arab fold. Private security and military cooperation—training, supplies, and perhaps Egyptian advisers—may grow in the months ahead. [REDACTED]

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The Saudis and other Gulf Arabs probably will also seek more security assistance from other allies in the Near East—Jordan, Morocco, and Pakistan. Morocco already has 1,500 to 2,000 troops in the UAE. Pakistan is in the process of transferring enough soldiers to man a reinforced armored brigade in Saudi Arabia. And there is a good chance that cooperation between the Saudis and the Jordanians will grow in North Yemen and the Gulf. [REDACTED]

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[redacted] To ward off Iranian aggression Bahrain played up the presence of US naval vessels after the arrest of the coup plotters. Both Bahrain and the UAE have expressed strong interest in obtaining US fighter aircraft. Saudi Arabia continues to rely on the implied US commitment to its defense represented by the AWACS aircraft. [redacted]

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The Gulf states, however, will remain wary of a more formal security relationship with the United States. Differences over the Palestinian issue and growing Arab frustration over US support for Israel are creating internal pressure on the Saudis and other Gulf Arabs to put greater distance between themselves and the United States. None of these regimes can afford to ignore Arab public opinion without undermining their credibility at home and leaving themselves vulnerable to Arab radical as well as Iranian-inspired subversion. [redacted]

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